DRN-3572016

The complaint

Mr A complains Monzo Bank Ltd unfairly closed his account and won't tell him why.

What happened

Mr A held a Monzo bank account. In March 2021 Monzo gave him two months' notice that his account would close. Mr A was unhappy about their decision and asked why, but they refused to tell him.

Monzo offered £30 for Mr A not being able to contact them over the phone when he should have been able to, but they said they were entitled to close his account. Mr A believes the decision to close his account was discriminatory.

Our investigator concluded Monzo hadn't treated Mr A unfairly. They said Monzo could close his account and they didn't need to tell him why. Their decision wasn't discriminatory, and they followed their terms and conditions by giving him two months' notice. Mr A may want to look at his credit report or contact Cifas to see if there is anything reported against him.

Mr A asked for a final decision from an ombudsman, so his complaint was passed to me to decide. He thinks Monzo should be required to reveal why his account was closed, and he shouldn't have been given an account in the first place if they were going to close it.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I have decided not to uphold Mr A's complaint. I'll explain why.

Monzo have the commercial discretion to close customer accounts. Here, they closed Mr A's accounts by giving two months' notice, so they complied with their terms and conditions. I understand why Mr A wants to know Monzo's reason(s) – it can't be pleasant to be told you're no longer wanted as a customer. But banks don't need to communicate information which they consider commercially sensitive, which includes their reasons for closing accounts.

I have treated what Monzo have told me in confidence – a power afforded to me under the dispute resolution rules (DISP) which set our services' jurisdiction and evidential powers. So, I won't be revealing the reason(s) why they closed the account by virtue of Mr A bringing this complaint.

Monzo can't close an account for unlawful or plainly improper reasons. So, closing an account based on someone's race would not be fair. I've no reason to doubt Mr A genuinely believes the decision to close his account was discriminatory. And, I've noted that he thinks Monzo made unfair assumptions about him based on his name, potentially in relation to the hawala system which he doesn't use. But I have considered the basis of Monzo's decision and I'm satisfied Mr A hasn't been treated differently to someone who doesn't share his background or otherwise disadvantaged because of his background.

I find their reason(s) properly sit(s) within their commercial freedom. I'm not persuaded by Mr A's point that Monzo shouldn't have given him the account in the first place. Banks can decide to open and close accounts, just as their customers can. They are entitled to review customer relationships and discontinue them, as situations and commercial considerations can change over time.

My final decision

I have decided not to uphold Mr A's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 18 August 2022.

Liam King
Ombudsman